

The Finnish Film Foundation

SUPPORT GUIDELINES

1 January 2009

Confirmed by the Foundation's Board on 31.12.2008

**Changes to previous guidelines are in bold**

GUIDELINES FOR FILM PRODUCTION SUPPORT

GUIDELINES FOR SUPPORT FOR CULTURAL EXCHANGE, EXHIBITION AND  
DISTRIBUTION, AND EDUCATIONAL ACTIVITIES

# GUIDELINES FOR FILM PRODUCTION SUPPORT

## 1. GENERAL

The Finnish Film Foundation grants support for professional film production in Finland. The Foundation's goal is to promote high-quality, versatile and original Finnish film production. The support is based on the Act on the Promotion of Film Art (28/2000).

Support can be granted upon application to feature-length, short and serialised fiction films, documentaries, and animated and children's films. The application must be submitted on a pre-printed application form.

Support cannot be granted to television companies or to companies in which a television company holds a share of 15% or more, nor to a state, municipal or church authority or institution, nor to a company in which the state has a majority holding, nor to any organisation or institution comparable to the above. Neither can support be granted for a production that is intended for the marketing of a product, range of products or services, or anything comparable to these.

## 2. SUPPORT CATEGORIES

### 2.1. Script support

Script support can be granted to an individual or a team for the writing of a film script. The maximum support per film is **EUR 10,000**.

The applicant must supply the Foundation with a working plan for the script as part of the application.

### 2.2. Development support

A production company (a registered society **in Finland**) holding the rights to a film in Finland can be granted development support for the film project. The support cannot exceed EUR 100,000 per film. The support can be applied toward e.g. the writing and further development of the script; production, shooting and set design plans, and any other measures required before a budget and the related financing arrangements can be completed.

The applicant must supply the Foundation with the following appendices to the application:

- A project development plan
- A development budget and a financing plan
- A no older than one-month-old certificate of tax liability and proof of paid old-age pension insurance premiums

Only direct costs of the project are included in the development budget. Indirect costs of the applicant's company (rent for fixed offices, fixed data communications costs, etc.) are included in the percentage reserved for administrative costs in the project's budget.

The costs of the project are observed in the budget exclusive of VAT. If the recipient is verifiably not entitled to deduction of VAT, the VAT may be observed in the budget.

Work carried out by the owner of the production company for the project is indicated in the budget as a fixed total compensation.

### 2.3. Advance support for production

A production company holding the rights to a film in Finland can be granted advance support for production for the completion of the film. Granted production support can cover a maximum of **50%** of

the film's production costs, including any development support already granted for the project by the Foundation.

Advance support for production cannot be granted for a completed production. A film is considered completed when a finished release print or a TV master of it exists.

The applicant must supply the Foundation with the following documents as part of the application:

- The script
- A detailed budget
- A financing plan
- A production plan, including a production schedule and details about the individuals with primary artistic and fiscal accountability for the project
- A preliminary marketing and distribution plan for cinema distribution in accordance with the model issued by the Foundation
- An information sheet about the film drawn up in accordance with the model issued by the Foundation and a photograph from the film in electronic form
- A no older than one-month-old certificate of tax liability and proof of paid old-age pension insurance premiums

When support is applied for the Finnish part of international co-productions, the applicant must in addition to the aforementioned appendices to the application also deliver the following documents to the Foundation:

- A cooperation contract or deal memo of all the production parties
- A detailed budget for the Finnish producer's share
- A detailed budget for the whole production
- A financing plan for the Finnish producer's share of the production
- A financing plan for the whole production
- A production plan for the Finnish producer's share of the production

The budget must cover all direct production costs up to the first release print, including a 7–10% reservation for contingencies. Indirect costs of the production company are included in the percentage reserved for administrative costs in the budget. This share cannot exceed 5% of the production costs and or the actual costs of the company as indicated in the bookkeeping. The reservation for contingencies and the percentage for administrative costs are calculated on the basis of the actual production costs (not including development costs). The reservation for contingencies as well as the percentage for administrative costs must be fully financed.

The costs of the project are observed in the budget exclusive of VAT. If the recipient is verifiably not entitled to deduction of VAT, the VAT may be observed in the budget.

The salaries of the production company's permanent staff must be indicated in euro in the budget. Work carried out by the owner of the production company for the project is indicated in the budget as a fixed total compensation.

The budget must also cover any production-stage marketing costs, such as publicity, PR and media expenses, and the preparation costs for the related promotional material listed in chapter 6 to be delivered to the Foundation.

Compensation for the use of the producer's own equipment cannot exceed 60% of the current rental rate.

If the production costs of the film exceed EUR 500,000, advance support for production cannot be granted unless a production insurance covering the essential negative, person and equipment risks is taken out for the film project in question.

#### 2.4. Marketing and distribution support

Marketing and distribution support can be granted for marketing and distribution costs associated with the Finnish cinema distribution of domestic films and international co-productions. The support can be

granted to production companies holding the rights to the film in Finland, or to a professional distribution company holding the distribution rights to the film. The support is applied for by the party with the main marketing responsibility.

The support can cover up to 50% of the costs, with a maximum of **EUR 80,000** per film.

Support can also be granted separately for the testing of the film and its marketing material. The testing must be conducted by a professional, independent institution. The support can cover a maximum of 50% of the testing costs, but no more than EUR 5,000 per film.

The applicant must present the Foundation with a revised marketing and distribution plan, together with possible test analysis results, before the production of key marketing material is launched. The actual application for marketing and distribution support must be submitted to the Foundation no later than six weeks before the premiere. Before the decision is made, the producer, distributor and representatives of the Foundations go through the marketing plan together.

The applicant must supply the Foundation with the following documents as part of the application:

- A final marketing and distribution plan jointly prepared by the producer and the distributor in accordance with the model issued by the Foundation
- A detailed budget in accordance with the model issued by the Foundation
- A signed distribution contract
- Details about marketing co-operation and partnerships
- A no more than one-month-old certificate of tax liability and proof of paid old-age pension insurance premiums

The support recipient must see to it that the film is subtitled in the official languages of Finland as appropriate for the distribution of the film. When the film is distributed in more than one release print, a copy in Finnish and Swedish is always required.

## 2.5. Post-release support for production

Post-release support for production can be granted on the basis of a domestic film's total number of admissions, to a production company holding the rights to the film in Finland. Post-release support can be granted to a film which the Foundation evaluates as having sufficient domestic content, the domestic theatrical release of which was on 1 January 1997 or subsequently, and which attracted a minimum of 45,000 regular-priced admissions at domestic film theatres during its first year of release. Also admissions for Koulukino showings are taken into account in the calculation of post-release support.

**Post-release support is granted to the sum of EUR 4.00 per each sold regular-priced ticket during the first year of release of the film, starting at 45,001 sold tickets. Tickets sold to Koulukino-screenings are also taken into account when post-release support is calculated. The total amount of the post-release support cannot, however, exceed EUR 200,000 or 50% of the production costs approved by the Foundation. In cases where the film has been granted advance support for production by the Foundation, the post-release support cannot exceed EUR 400,000 and the sum total of the granted advance support for production and the post-release support cannot exceed EUR 800,000 or a maximum of 50% of the production costs approved by the Foundation.**

**Post-release support must be applied for within six (6) months from the date when one (1) year has elapsed from the theatrical release of the film.**

**In order to apply for post-release support, it is required that the applicant delivers a clarification concerning the total costs of the film in question as well as a specification of the implemented financing and its sources, authorised by a certified accountant.**

**Post-release support must be utilised for film production or development thereof, in accordance with the guidelines for production support. The recipient may use the post-release support to cover the self-financed part of the film, to which the support was granted. The recipient must deliver a written final report concerning the utilisation of the post-release**

**support to the Foundation by the date indicated in the support agreement, however no later than two years from the signing of the support agreement.**

The applicant must provide the Foundation with the following documents as part of the application:

- **A utilisation plan for the post-release support**
- A certified accountant's statement verifying the total production costs and a detailed account of obtained financing and its sources.
- The distributor's statement confirming the number of paid admissions at a domestic film theatre during its first year of release.
- The company's latest closing of accounts and a valid extract from the trade register
- A no more than one-month-old certificate of tax liability and proof of paid old-age pension insurance premiums

**A support agreement between the Foundation and the recipient concerning the post-release support must be signed within six (6) months of the support decision.**

**Post-release support is paid out in two or more instalments, the first instalment subsequent to the signing of the support agreement, and the last instalment of 20% subsequent to the approval of the final report by the Foundation.**

**In cases where the Foundation has granted advance support for production to the film, the guidelines that were valid at the time of the support decision will be applied to the post-release support.**

## 2.6. Difficult and Low-budget Films

The European Commission Cinema Communication (Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of The Regions on certain legal aspects relating to cinematographic and other audiovisual works (2002/C 43/04, COM(2001) 534 final)) states that "aid intensity must in principle be limited to 50% of the production budget".

The restriction will not be applied to difficult and low-budget films. The Commission considers that under the subsidiarity principle it is up to each member state to establish a definition of a difficult and low-budget film according to national parameters.

A film is classified as a difficult film when:

- **it does not seek a large audience, and**
- **it faces special difficulties attracting commercial financing and would not be possible to produce without state aid exceeding 50% of the production budget**

For projects that qualify as difficult or low-budget film, support may be granted as follows:

- Advance production support: maximum of 70% of the film's production costs, including any development support already granted for the project by the Foundation.
- Marketing and Distribution support: up to 70% of the costs, with a maximum of **EUR 80,000** per film. Plus support for the testing of the film and its marketing material covering a maximum of 70% of the testing costs, but no more than EUR 5,000 per film.

## 3. SUPPORT DECISIONS

### 3.1. Provisional Support Decision

With a provisional support decision, the Foundation provisionally reserves support for the applicant. Provisional support decisions can be made only if the applicant has followed the guidelines for earlier support decisions and provided the Foundation with all the required reports in time. If the applicant or an individual or a legal person under contract to the applicant has several projects supported by the Foundation, the above stipulation may be applied to all projects of the applicants in question. Provisional support decisions are based on an evaluation of the entire project in terms of content, expression and actual production, acknowledging the applicant's artistic, productional and financial potential to complete the production in question.

When support is applied for the Finnish contribution to an international co-production, the provisional support decision is also influenced by the project's interest in terms of the Finnish audience, the prospects of continued co-operation between the co-producers, and the volume of Finnish contribution and artistic input in the project.

The Foundation may request additional information from the applicant before making its final decision.

The provisional support decision expires unless a support agreement satisfactory to the Foundation is signed within the time frames given in paragraph 3.2.

The above regulations for provisional support decisions and the stipulations about support agreements given later in this document do not apply to post-release support for production. The Foundation makes decisions about granting post-release support as explained in paragraph 4.

### 3.2. Support agreement

In the case of script, development and marketing and distribution support, the Foundation and the applicant must sign a support agreement within three (3) months of the provisional support decision.

In the case of production support, the Foundation and the applicant must sign an agreement within six (6) months of the provisional support decision.

The support agreement confirms the budget and the financing plan for the project in question. The confirmed budget and support allocations cannot be changed without the Foundation's written consent. The recipient is accountable for the implementation of the project according to the support agreement.

The agreement on script support cannot be signed unless the Foundation is supplied with the following documents:

- A working plan for the script
- A copyright waiver for the original work, if the script is based on an existing work
- If the script support goes to a team, an agreement between its members covering script copyright issues and the distribution of the support between the team members

The agreement on development support cannot be signed unless the Foundation is supplied with the following documents:

- A development plan
- A budget and financing plan for the development
- Contracts or binding statements confirming that the share of financing from other sources, as indicated in the budget, has been arranged in full and in accordance with the financing plan, and clarification of the recipient's self-financing
- Appropriate contracts with copyright holders
- Other contracts relevant to the project and the support decision

The agreement on provisional support cannot be signed unless the Foundation is supplied with the following documents:

- The script of the film
- A detailed budget confirmed by the Foundation
- A financing plan confirmed by the Foundation
- A liquidity plan for the project, covering gross total project costs and financing
- Contracts or binding statements confirming that the share of financing from other sources, as indicated in the budget, has been arranged in full and in accordance with the financing plan
- A clarification of self-financing
- Appropriate contracts with copyright holders
- An insurance policy
- Other contracts relevant to the project and the support decision

When support has been granted to the Finnish contribution to an international co-production, the applicant must in addition to the aforementioned appendices to the contract also deliver the following documents to the Foundation:

- A co-operation contract between all co-producers
- A budget detailed for each country

**If the film has been granted development support or advance support for production by the Foundation, the recipient is obliged to indicate that the film has received support from The Finnish Film Foundation in the film's list of credits along with the names of the production advisors.**

Subsequent to consulting the support recipient, the Foundation has the right to sign up the film, to which advance support for production has been granted, to international, non-commercial film events. If the recipient offers the film to similar international events independently and at his own cost, the recipient is obliged to inform the Foundation of this.

The agreement on marketing and distribution support cannot be signed unless the Foundation is supplied with the following documents:

- A final marketing and distribution plan drawn up by the producer and distributor jointly and in accordance with the model issued by the Foundation
- A detailed budget in accordance with the model issued by the Foundation
- A signed distribution plan
- Details about marketing co-operation and partnerships
- Contracts or binding statements confirming that the share of financing from other sources, as indicated in the budget, has been arranged in full
- Clarification of the recipient's self-financing
- Other contracts relevant to the project and the support decision

In the financing plan, the following can be acknowledged as the recipient's self-financing:

- A cash contribution, provided that the producer can present a corresponding bank guarantee or equivalent of it
- Deferment of the producer's and **the other associated film makers' salaries to a reasonable degree**, provided that the subject has given written consent for the deferment
- Use of own equipment as detailed in the budget

When the support recipient is a registered society, the support agreement cannot be signed unless the recipient has supplied the Foundation with the company's latest closing of accounts, verified by its bookkeeper, and a valid, no more than six-month-old extract from the trade register. In addition, the recipient must deliver a no more than three-month-old certificate of tax liability and proof of paid old-age pension insurance premiums. Joint-stock companies must deliver an up-to-date shareholder's register (Limited-liability Companies Act, chapter 3) to the Foundation. If the information in the aforementioned documents has been modified, the Foundation must be notified of the modifications.

The Foundation's support must not be used for purposes other than those detailed in the support agreement.

#### 4. PAYMENT OF SUPPORT

Granted advance support for production will be paid to the recipient in five instalments:

- 20% after the signing of the support agreement
- 50% at the start of shooting
- 10% at the end of shooting once the recipient's interim report that has been drawn up in accordance with the model issued by the Foundation has been approved by the Foundation
- 10% when the work print has been approved by the Foundation
- 10%, or a maximum of EUR 20,000, when the final report has been approved by the Foundation and the promotional items defined in the support agreement have been delivered to the Foundation (if 10% of the support amounts to more than EUR 20,000, the difference will be paid out in the third instalment).

Script support, development support, and marketing and distribution support will be paid in two or more instalments, the first instalment after the signing of the support agreement and the final instalment, 20%, once the final report has been approved by the Foundation.

Post-release support for production is paid the calendar year following the film's cinema release, no later than one month after the Foundation has confirmed the total of post-release support granted for the film in question, and no later than one year after the application has been submitted to the Foundation.

The Foundation reserves the right to deduct any outstanding payments of the recipient before paying out granted support. The Foundation has the right to suspend support payments until further notice, if the recipient has not delivered the appropriate interim report or final report as agreed in the corresponding agreement or in any other contract signed with the Foundation, or otherwise through his actions compromised the completion of the film.

## 5. MONITORING

The recipient's bookkeeping must be in compliance with the Bookkeeping Act and the Bookkeeping Statute, and be in accordance with sound bookkeeping practice. The recipient is also obliged to arrange the appropriate financial monitoring of the production. The Foundation reserves the right to inspect the recipient's entire bookkeeping and administration at any time.

The recipient must observe the Finnish Film Foundation's guidelines and recommendations on the principles of bookkeeping, closing of accounts and auditing practices in a film production company.

If the monitoring of the project costs indicates changes in the budget or the financing plan, the recipient must notify the Foundation of it immediately and in writing. If project costs are clearly greater than the budget confirmed in the support agreement, the recipient must supply the Foundation with adequate documentation of acquired additional funding. The recipient is also obliged to notify the Foundation in writing about any other relevant artistic or financial changes in the project.

The recipient of advance support for production must supply the Foundation with an interim report drawn up in accordance with the model issued by the Foundation on the production's progress at the end of shooting. The interim report should give detailed information about actual production costs and financing as compared with the budget, together with an estimate on further costs and financing, and an account of the production's progress as compared with the outlined plans. Substantial deviations from the original budget must be accounted for separately. The Foundation reserves the right to request further details it deems necessary for the approval of the interim report from the recipient.

## 6. FINAL REPORT

The recipient must submit to the Foundation a written final report by the agreed date, but no later than two years after the signing of the support agreement.

For script support, the completed film script is equivalent to the final report.

The final report for development support must include a written account of the implementation of development as compared with the plans together with an account of implemented costs and details on funding. If a new provisional support decision for development and advance support for production has already been made for the film in question, the Foundation can decide that the reports on all related support can be given together.

The final report for advance support for production must contain an account of implemented costs, together with information about implemented financing. The report must indicate the implemented production costs and financing as compared with the original budget. A separate, itemised list must be given for use of the producer's own equipment and any internal forwards made in the cost accounting. The company's indirect costs may be included as administrative costs, the share of which must not exceed 5% of the actual production costs (not including development costs). These internal forwards that are classified for different projects must not exceed the actual costs of the company as stated in the bookkeeping.

The share of contingencies must not exceed their total in the budget confirmed at the signing of the support agreement. If the budget has been exceeded, the difference must be deducted from contingencies. The recipient may retain the remainder of the reservation for contingencies budgeted in the support agreement. A written report on production details as compared with the initial plans must be included in the final report.

Together with the final report for advance support, the recipient must deliver the promotional material specified in the support agreement to the Foundation for promotional purposes.

For cinema releases, the recipient is usually expected to provide the Foundation with:

- 20 DVD copies with English subtitles
- A dialogue list in the original languages and in English
- A synopsis of the film, a word from the director and the director's CV/filmography in both Finnish and English
- A full list of credits for the film
- Photographs of the film and the director, which are suitable for printing

For a TV-distribution film, the recipient is usually expected to provide the Foundation with:

- 20 DVD copies with English subtitles
- A dialogue list in English
- A synopsis of the film, a word from the director and the director's CV/filmography in both Finnish and English
- A full list of credits for the film in Finnish and English
- Photographs of the film and the director, which are suitable for printing

The final report on marketing and distribution support must contain an account of implemented costs and implemented financing. The report must indicate the implemented marketing and distribution costs and financing details as compared with the budget. In addition, a filled-out evaluation form in accordance with the model issued by the Foundation must be appended to the final report.

The detailed account of implemented costs in the final report must be based on the recipient's bookkeeping, implemented legal salary costs, and verified by the bookkeeper. If the total support granted to the project exceeds EUR 20,000, the account of implemented costs must be verified by a certified accountant.

The support recipient is obligated to provide his bookkeeper and accountant with the Finnish Film Foundations Support Guidelines and recommendations for principles of bookkeeping, closing of accounts and auditing to be observed in film production companies (01.01.2007).

The support recipient is also obligated to provide its bookkeeper and accountant with the support agreement, budget, and other appendices to the support agreement of the project in question. If the support recipient neglects this duty, the Film Foundation has the right to deliver the documents in question to the bookkeeper and accountant mentioned in the support agreement.

The Foundation reserves the right to request the recipient to supply any additional reports it deems necessary for the approval of the final report. The Foundation also reserves the right to audit the production's final report. The recipient must ensure that the Foundation's auditors are supplied with all the documents required for the audit.

Based on the final report and the possible audit the Foundation confirms the project's actual costs.

Should the share of development support granted by the Foundation exceed the project's final cost, and the share of advance support for production or marketing and distribution support equal more than 50/70% of the final costs, the Foundation will deduct the difference from the support instalment not yet paid out or recover it from the recipient.

## 7. CANCELLATION OF THE SUPPORT AGREEMENT AND RECOVERY OF SUPPORT

Support recovery follows the stipulations of chapter 5 of the State Aid Act (688/2001). **Recipients of state grants must without delay return state grants or parts thereof, the use of which has been**

**faulty, excessive or evidently unfounded.** The Foundation also reserves the right to cancel the support agreement altogether and to reclaim paid support instalments, if the production is not completed in the manner and schedule outlined in the support agreement or if the recipient has failed to comply with the support guidelines, the terms of the support agreement, or any other related obligation, or through his actions otherwise jeopardised the completion of the film.

# GUIDELINES FOR SUBSIDIES FOR CULTURAL EXCHANGE, EXHIBITION AND DISTRIBUTION, AND EDUCATIONAL ACTIVITIES

Amendment to article 3.2. confirmed by the Foundation's Board on 29.1.2010

## 1. GENERAL

These guidelines present the terms for subsidies granted by the Finnish Film Foundation in the categories of cultural exchange (support category 2), exhibition and distribution (categories 3 and 4), film festivals (category 5) and educational activities (support category 6). The granting of support is based on the Act on the Promotion of Film Art (28/2000).

Support is granted all year round. The application must be submitted on a form designed for this particular purpose. Plans for the use of granted funds, as indicated in the application, cannot be modified without the consent of the Finnish Film Foundation. The recipient must apply for any changes in writing.

### 1.1. Support decision

A prerequisite for an affirmative support decision is among other things that the support applicant has observed possible previous support agreements and delivered final reports for earlier granted support to the Foundation within the due date.

When the support recipient is a registered society, the support decision cannot be made unless the recipient has supplied the Foundation with the company's latest closing of accounts, verified by its bookkeeper, and a valid, less than six-month-old extract from the trade register. In addition, the support recipient must deliver a no more than one-month-old certificate of tax liability and proof of paid old-age pension insurance premiums as appendices to the application. Joint-stock companies must deliver an up-to-date shareholders' register (Limited-liability Companies Act, chapter 3) to the Foundation. Should modifications occur to the information in the aforementioned documents, the Foundation must be notified of such modifications.

A support decision for exhibition and distribution activities is valid for one (1) year from the date of the decision. If the recipient has not drawn the support within the set time frame, the support decision expires.

### 1.2. Support report

The recipient must maintain bookkeeping, which corresponds to the requirements of the Bookkeeping Act and the Bookkeeping Decree, as well as observe good bookkeeping practices. The support recipient must arrange appropriate financial monitoring of the project. The Foundation retains the right to audit the recipient's bookkeeping and administration in full at any time.

Costs which may be included in the support report are the company's net outgoings for the project exclusive of VAT, which are included in the bookkeeping. Costs may be approved inclusive of VAT, if the support recipient is not liable to pay VAT.

The detailed account of actual costs, as presented in the final report, must be based on the recipient's bookkeeping and implemented legal salary costs and verified by the bookkeeper. If the total support granted to the project exceeds EUR 20,000, the account of actual costs must be verified by a certified accountant.

In the case of exhibition and distribution support, a written support report indicating the use of the granted support must be delivered to the Foundation within two (2) months from the completion of the project.

The support recipient is obligated to provide its bookkeeper and accountant with the Finnish Film Foundations Support Guidelines.

The support recipient is also obligated to provide its bookkeeper and accountant with the support agreement, budget and other appendices to the support agreement of the project in question. If the support recipient neglects this obligation, the Film Foundation has the right to deliver the documents in question to the bookkeeper and accountant mentioned in the support agreement.

The Foundation reserves the right to request the recipient to supply any additional reports it deems necessary for the approval of the final report. The Foundation also reserves the right to audit the project's final report. The recipient must ensure that the Foundation's auditors are supplied with all the documents required for the audit.

Based on the final report and the possible audit the Foundation confirms the project's actual costs. Should the share of support granted by the Foundation exceed the project's final cost, the recipient must return the difference to the Foundation within seven (7) days from the demand of the Foundation.

Should the recipient fail to present appropriate reports in due time, the remaining instalments of the granted support will be cancelled and the recipient will be obliged to refund the Finnish Film Foundation any support instalments already received.

### 1.3. Cancellation of the support agreement and recovery of support

Support recovery follows the stipulations of chapter 5 of the State Aid Act (688/2001). The Foundation reserves the right to cancel the support agreement altogether and to reclaim paid support instalments, if the recipient has failed to comply with the support guidelines, or any other related obligation.

## 2. SUPPORT FOR CULTURAL EXCHANGE

The aim of support for cultural exchange is to promote international contacts and exports of Finnish film.

### 2.1. Travel grants to producers and filmmakers

Finnish film producers or filmmakers can apply for a travel grant to attend festivals or other international venues, where their work is exhibited. The applicant must deliver a written utilisation plan and support report as appendices to the application to the Foundation. The grant is paid against a submitted support report.

### 2.2. Support for a cultural exchange print

Finnish film producers can apply for support for the preparation of a cultural exchange print of a domestic film (costs for production of the release print, translation into a foreign language, subtitling), and for the preparation of related promotion material. The applicant must deliver a written utilisation plan and support report to the Foundation as appendices to the application. The support is paid against a submitted support report.

## 3. SUPPORT FOR EXHIBITION

The aim of support for exhibition is to promote the screening of films and their supply at cinemas by strengthening the operative prospects of cinemas and by promoting the versatility of their offering. A prerequisite to the payment of support is that the recipient has supplied the Foundation with correct and up-to-date information for the maintenance of film statistics.

### 3.1. Support for equipment procurement and modernisations

The support may be applied for by cinema owners or registered societies in charge of cinema operations. The support is intended as partial funding for the procurement of equipment and modernisations in cinemas operating primarily in medium-sized or small localities. In special circumstances, the support may be granted for cinemas in larger localities. The support can cover a

maximum of 60% or EUR 25,000 of the total project costs, when the total costs are less than EUR 50,000, and a maximum of 50% of the total when the total costs exceed EUR 50,000.

**The maximum individual support is EUR 50.000 for equipment procurement and EUR 80.000 for cinema modernisation.**

The application should detail the use of the support with a specified budget. Invitations for tenders and an implementation schedule must be appended to the application. In addition, the applicant must deliver a financing plan for the project, detailing the self-financing share.

When the total support applied for exceeds EUR 25,000, the application must include an operative plan and a budget detailing the impact of the planned investment and other measures on business development. Cinemas obtaining support must have continuing potential to operate within their locality.

The recipient will sign a statement confirming his intention to stay in business for at least three years and if necessary commits to using the consultation services of a consultant approved by the Foundation prior to carrying out any procurements of equipment. The recipient also commits to refunding of the allocated subsidy, should his business be interrupted. Related consulting costs may be included in the total budget for the project.

The recipient must supply the Foundation with a copy of the rental agreement and an official document verifying the person(s) entitled to sign for the company or society.

No new support will be granted before final reports for earlier support have been approved by the Foundation.

The Foundation will pay the support in accordance with its decision in one or several instalments, the last instalment subsequent to the approval of the report by the Foundation.

### 3.2. Operational support for cinemas

The support is applied for by cinema owners or registered societies in charge of the cinema's operations. Operational support for cinemas is designed to secure a sufficient regional supply of cinemas and to help cinemas develop new operational models. The support is intended primarily for cinemas operating in small and medium-sized localities, but can also be granted to film theatres in larger localities.

Decisions on operational support for cinemas are based on operational and regional considerations. Other decisive factors include co-operation with the city or local authority, such as school screenings, networking with other companies or entities, various film events and the cinema's own development projects.

The application should include a detailed account of support targets with itemised budgets, the cinema's operative plan for the current year, an overview of the previous year with attendance figures, and an account of the development projects and project partners. In addition, the applicant must deliver a financing plan for the project, detailing the share of self-financing.

The support cannot exceed EUR 6,000 a year per cinema. Financial and immaterial support from the local authority or the city to the cinema influences the support decision, so that the Foundation's support can match the sum up to a value of EUR 6,000 pending the availability of funds.

No new support will be granted before the reports for previous support have been approved by the Foundation.

The Foundation will pay the support in accordance with its decision in one or several instalments, the last instalment subsequent to the approval of the report by the Foundation.

### 3.3. Support for additional release prints

The support is applied for by the film's distribution company before the premiere. Support for additional release prints is designed to improve the prospects of cinemas by ensuring quicker access to successful films also in smaller localities. Only cinemas located outside the top-15 localities in terms of

box-office turnover during the preceding year can screen additional prints prepared with the support of the Foundation. The total of additional release prints cannot exceed the total of release prints prepared by the distributor at his own cost, or a maximum of 15 copies.

At least half of the supported additional release prints must be distributed to cinemas outside the top-30 localities in terms of turnover. Support for additional release prints can also be granted to films of which the distributor holds less than 10 copies not subsidised by the Foundation, if after its premiere the film can be deemed to have potential success outside the bigger localities.

A budget for the use of the support and a distribution plan detailing the number of prints intended for distribution and the opening locations must be appended to the application.

The support can be granted for costs related to the acquisition, transport and subtitling of additional prints. The support covers a maximum 70% of the total cost of additional prints. The sum will be paid once the support report has been approved by the Foundation and the distributor has reported the number of viewers of the additional prints to the Foundation.

If a film has received support for additional release prints, there must always be a copy of it in distribution in Finnish and Swedish. At least one copy of a film covered by support for additional release prints must be available to cinemas or other potential customers for 3 years.

The Foundation presumes that the opening locations of the additional prints vary.

### **3.4. Support for digital film prints**

The aim with this form of support is to promote digital cinema distribution particularly of domestic films in Finland and abroad. The point of departure is distribution of D cinema level, the project must be DCI compatible (the projector at least 2K; the server JPEG2000). The support is applied for by the film's production company or distribution company and it is primarily intended for long fiction and documentaries.

A budget detailing the use of the support and a distribution plan, detailing the number of copies to be distributed as well as premiere locations, must be appended to the application.

Support is granted for production and subtitling costs of digital prints. The support covers a maximum of 70% of the costs for exhibition prints. The support is paid once the final report has been approved by the Foundation and the applicant has reported the number of viewers of the digital exhibitions to the Foundation.

When several prints of the film are in distribution, one copy in Swedish and One copy in Finnish must always be available. At least one copy of a film covered by support for additional release prints must be available to cinemas or other potential customers for 3 years.

This form of support is valid for a test period until the 31 December 2009.

## **4. DISTRIBUTION SUPPORT**

Distribution support is designed to promote the screening and supply of films through various distribution channels by strengthening the distribution of Finnish films, in particular, and the distribution and imports of films of specific artistic value and audience interest. The support recipient must mention in the promotional and marketing material of the film that it has received support from the Foundation.

### **4.1. Support for film imports**

The support is applied for by the importer of the film. The purpose of the support is to promote the imports and efficient distribution of a wide range of quality films representing the full spectre of world cinema.

A film imported and distributed in a minimum of three prints can be granted a maximum of EUR 12,000 in support. A film distributed in two prints can receive EUR 10,000 at most and a single-print distribution EUR 7,000. The support can cover a maximum of 50% of the total importing and marketing costs. The dubbing of children's films and all-family films can be supported up to 50% of actual costs to a maximum of EUR 20,000 per film.

The application must include a contract on the film's distribution rights, a detailed cost estimate, the film's production details, a marketing/distribution plan with a well-defined distribution and publicity strategy, together with an outline of the target audience, and scheduled premiere. The support cannot be granted to projects that have received distribution support from the Media Project programme, which is subject to consideration.

A prerequisite for the payment of support is that the recipient has delivered correct and up-to-date information to the Foundation for the maintenance of film statistics.

The Foundations pays the support according to its decision, in one or several instalments, the last instalment once the final report has been approved by the Foundation. The final support instalment cannot be paid out unless the film has been screened in at least ten communities within a year of its premiere in Finland.

If a film has received import subsidies from the Foundation, there must always be a copy of it in distribution in Finnish and Swedish. At least one copy of a film covered by support for additional release prints must be available to film theatres or other potential customers for three (3) years. The imported film may not be broadcast on television until two (2) years after the premiere in Finland without the consent of the Foundation.

Importers who have been granted import support must deposit at least one print of the film to the Finnish Film Archive after the expiration of the screening rights period.

#### 4.2. Support for marketing and distribution of DVDs

The purpose of the subsidy is to promote the marketing and the availability of a wide range of quality films from Finland and other countries, providing an extensive sample of world cinema, on DVD.

The support is applied for by the distributor holding the DVD rights to the film. A contract on the distribution rights of the film, a detailed budget, a marketing and distribution plan, and estimates about the target audience and the date of publication must be appended to the application. In addition, the applicant must deliver a financing plan for the project, detailing the self-financing share. Support will not be granted to projects that have received distribution support from the Media Plus programme, which is subject to consideration.

The support can cover a maximum of 50% of the marketing and distribution costs, to a maximum of EUR 10,000 per film. The share of production costs for the DVD can be no higher than 50% of the support sum.

The support will be paid once the support report has been approved by the Foundation and the recipient has delivered two (2) DVD release copies to the Foundation.

A DVD release supported by the Foundation must be furnished with versatile additional material and Finnish and Swedish subtitles. A prerequisite for the payment of support is that domestic films are furnished with subtitles for the hard-of-hearing.

#### 4.3. Support for digital distribution

The support is granted to the distributor holding the exhibition rights to the film.

The purpose of the support is to promote charged network and mobile distribution of particularly domestic films. The support is project specific and can cover a maximum of 50% of the costs of the project, or EUR 5,000.

A contract on the distribution rights of the film, a detailed budget, a marketing and distribution plan, and estimates about the target audience and the date of publication must be appended to the application. In addition, the applicant must deliver a financing plan for the project, detailing the share of self-financing.

### 5. SUPPORT FOR FILM FESTIVALS

The Finnish Film Foundation grants support for the arranging of nationally significant festivals. The Ministry of Education grants a state subsidy yearly to the Foundation for this form of support. Nationally

significant festivals should deliver their application to the Foundation, other festivals to the State Committee for Film Art (Valtion elokuvataidevaliokunta). Applications must be made on the form printed for the purpose. The support is granted to registered societies.

The applicant must supply the Foundation with the following appendices to the application:

- A operating plan for the project
- A detailed budget and financing plan
- **Admission and box-office figures from the previous project with the admissions figures sorted into paid and free admittance.**
- The most recent closing of account of the recipient, verified by an authorised accountant (annual report, profit and loss account, balance with appendices, and auditor's report)
- An no more than six-month-old extract from the trade register **or the register of associations**
- A no more than one-month-old certificate of tax liability and proof of paid old-age pension insurance premiums.

No new support will be granted until the final report for earlier support has been approved by the Foundation. The Foundation will pay the support according to its decision, in one or several instalments, the last instalment once the support report has been approved by the Foundation.

## 6. EDUCATIONAL ACTIVITIES OF THE FILM FOUNDATION

The educational activities of the Film Foundation, which pertain particularly to digital film distribution, are implemented with the special funding of the Ministry of Education. The education is designed for domestic filmmakers, producers, distributors, and cinema personnel. Since the educational requirements and initial familiarity with digital distribution varies between different professional groups, educational events may be arranged separately for separate groups.